

ORIGINAL

FEDERAL COMMUNICATIONS COMMISSION

In Re Applications of:) WT Docket No.: 96-41
)
)
LIBERTY CABLE CO., INC.,) File Nos.:
For Private Operational) 70877 WNTT370
Fixed Microwave Service) 708778, 713296 WNTM210
Authorization and) 708779 WNTM385
Modifications) 708780 WNTT555
) 708781, 709426, 711937 WNTM212
New York, New York) 709332 (New)
) 712203 WNTW782
) 712218 WNTY584
) 712219 WNTY605
) 713295 WNTX889
) 713300 (New)
) 717325 (New)

Volume: 7
Pages: 489 through 730
Place: Washington, D.C.
Date: January 13, 1997

FILED
FCC-OMJ F02

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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Courtroom 2
FCC Building
2000 L Street, N.W.
Washington, D.C.

Monday,
January 13, 1997

The parties met, pursuant to notice of the Judge
at 10:02 a.m.

BEFORE: HON. RICHARD L. SIPPEL
Administrative Law Judge

APPEARANCES:

On Behalf of Liberty Cable Company, Inc.:

ROBERT L. BEGLEITER, ESQ.
ELIOT L. SPITZER, ESQ.
YANG CHEN, ESQ.
Constantine & Partners
909 Third Avenue
New York, New York 10022
(212) 350-2707

Heritage Reporting Corporation
(202) 628-4888

APPEARANCES CONTINUED:

On Behalf of Liberty Cable Company, Inc.:

ROBERT L. PETTIT, ESQ.
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
(202) 429-7019

On Behalf of Cablevision of New York, Phase I:

CHRISTOPHER A. HOLT, ESQ.
Minutz, Levin, Cohn, Ferris, Glovskyand,
Popeo, P.C.
701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 434-7300

On Behalf of Time Warner Cable and
Paragon Cable Manhattan Cablevision:

R. BRUCE BECKNER, ESQ.
DEBRA A. MCGUIRE, ESQ.
Fleischman and Walsh, P.C.
1400 Sixteenth Street, N.W.
Washington, D.C. 20036
(202) 939-7913

On Behalf of the FCC Wireless Telecommunications
Bureau:

JOSEPH PAUL WEBER, ESQ.
MARK L. KEAM, ESQ.
KATHERINE C. POWER, ESQ.
Federal Communications Commission
2025 M Street, N.W.
Washington, D.C. 20554
(202) 418-1317

FEDERAL COMMUNICATIONS COMMISSION

I N D E X

<u>WITNESSES:</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>	<u>VOIR DIRE</u>
Howard Milstein	507	521			
Behrooz Nourain	607	656			

Hearing Began: 10:02 a.m.	Hearing Ended: 4:59 p.m.
Recess Began: 12:37 p.m.	Recess Ended: 1:51 p.m.

P R O C E E D I N G S

10:02 a.m.

JUDGE SIPPEL: We're on the record. This is our first day of hearing testimony. And I take it Mr. Milstein is in the courtroom?

MR. MILSTEIN: Right here, Your Honor.

JUDGE SIPPEL: Good morning. Before we begin, I'm going to ask -- well, first let me ask has counsel given -- have either of you given your appearances to the Reporter, or give your appearances to the Reporter before you leave this morning. And I want to ask, Mr. Begleiter, if you could just bring me up to date briefly on where we stand on documents.

MR. BEGLEITER: Your Honor, we have -- we have conducted a search over the weekend of Mr. Nourain's files and Pepper & Corazzini's files. We have culled from those files documents that appear to -- that we question were given -- that may not have been given to the other side.

We have -- we have aired on the side of over-inclusiveness. This morning, approximately 20 minutes ago when counsel arrived, we gave them a -- a series of documents, Bates numbers 17179 through 17553 -- excuse me, I misread it. It's 17179 -- no, I got it right -- through 17553. Counsel seems to think that I read it wrong.

JUDGE SIPPEL: Well, what does that -- what does

1 that calculate to? What's the number of documents roughly?

2 MR. BEGLEITER: It's approximately -- it's
3 approximately 400.

4 JUDGE SIPPEL: About 400 documents?

5 MR. BEGLEITER: A little less, 350 -- 350
6 documents, Your Honor, some of which may have already been
7 given over. We've reviewed these documents. We don't
8 believe there's anything here that is -- that is a
9 blockbuster or changes any -- any of the arguments.

10 We believe that whatever is here corroborates our
11 position. We now believe that we have given a -- we have
12 given a full production. We apologize for the fact that it
13 was not full when we realized last week. But we believe now
14 that it is. Mr. Spitzer may want to add something to it.

15 MR. SPITZER: No, nothing.

16 JUDGE SIPPEL: Nothing?

17 MR. SPITZER: Nothing beyond that, Your Honor,
18 except to say that we had a less enjoyable weekend than we
19 might otherwise have had. But we are -- we feel that we
20 obviously owe the Court an apology and opposing counsel.
21 But as Mr. Begleiter said, we aired on the side of over-
22 inclusiveness. We were not able to compare the documents
23 that we pulled from Mr. Nourain's files over the weekend;
24 compare those documents with the nearly 15,000 pages we had
25 already produced.

1 And it could be that there is duplication because
2 documents tend to get copies and put in separate places
3 within offices and in separate files. But, obviously,
4 anything that we found within the set of documents that had
5 not been thoroughly and properly searched, we culled, we
6 xeroxed and we produced this morning.

7 JUDGE SIPPEL: But the duplication may be
8 significant for purposes of this hearing because it depends
9 on which file it came from.

10 MR. SPITZER: But even within his own -- there may
11 be identical copies that were sitting in two piles on the
12 same desk. You're correct, Your Honor. But we produced
13 everything.

14 JUDGE SIPPEL: But can that be culled out? Is
15 that -- is that something that has been -- has that
16 determination yet been made or is that a -- is that
17 something to come in the future?

18 MR. SPITZER: I don't think it needs to come, Your
19 Honor, because we have now produced everything. And the
20 production from Mr. Nourain's files is now complete. The
21 production from Pepper & Corazzini's files is now complete.

22 JUDGE SIPPEL: But it is -- it is -- is Mr.
23 Beckner in a position, Mr. Weber in a position to determine
24 that -- that Document X was produced the last time from Mr.
25 Lehmkuhl's file and now is being produced from Liberty's

1 file? Is that --

2 MR. SPITZER: They will be in that position as
3 soon as we get them the letter that we'll get them by the
4 end of today which indicates which of these documents came
5 from P&C and which came from Mr. Nourain's file.

6 JUDGE SIPPEL: All right. So those documents then
7 have not been turned over as of this morning?

8 MR. BEGLEITER: No, they have been.

9 MR. SPITZER: No, all the documents have been.
10 The cover letter -- the cover letter will come later today.

11 JUDGE SIPPEL: All right. Okay. I hear you. I
12 hear you. And I want to note for the record that this --
13 the availability or the discovery of an additional document
14 was communicated to me immediately Friday afternoon after we
15 had finished the proceeding. And so counsel was certainly
16 right on top of the situation in terms of getting the
17 information and also of course to the other two parties in
18 the case.

19 Now, Mr. Pettit, did you want to add anything to
20 that or how about, Mr. Weber, do you want to say anything
21 about it now?

22 MR. WEBER: Well, Your Honor, I'd only want to
23 inquire if in the stack of documents we got which obviously
24 we've not yet had time to review, if there's any way to
25 distinguish between which ones came from Mr. Nourain's files

1 and which ones came from Pepper & Corazzini's files.

2 MR. SPITZER: We will give you that demarcation in
3 a cover letter.

4 MR. WEBER: Thank you.

5 JUDGE SIPPEL: That you're supposed to get by the
6 end of the day.

7 MR. SPITZER: That's correct.

8 MR. WEBER: Thank you.

9 JUDGE SIPPEL: Mr. Beckner, do you have anything
10 that you want to --

11 MR. BECKNER: I'd like to note that if there were
12 any files -- any documents that were identified this time
13 that were responsive but not produced under a claim of
14 privilege.

15 MR. SPITZER: No, Your Honor.

16 JUDGE SIPPEL: Mr. Holt?

17 MR. HOLT: I have nothing, Your Honor. Thank you.

18 JUDGE SIPPEL: Well, here's what -- here's what I
19 feel needs to be done. And I will -- you know, after we've
20 had a break for lunch this afternoon, if you, Counsel, want
21 to consult on this, you can come back this afternoon and
22 I'll be able to -- I'm not going to say I'm going to
23 reconsider, but I certainly will hear because it has -- I
24 will hear from counsel on this because it has to do with a
25 scheduling change. I feel, certainly with the 350

1 documents, this may be counsel that are very familiar with
2 these documents, this may not be all that much.

3 Admittedly, the number 350 doesn't shock me or
4 give me an indication that this is going to be -- that
5 there's a reason to postpone anything here. However,
6 there's another matter that is pending and that is the --
7 the motion for the -- for the inquiry into documents and to
8 discovery, the completeness of discovery. And what I'm
9 trying to do is come up with a way that's -- that's going to
10 get the job done with the least inconvenience to everybody
11 including the witnesses, although the witnesses may be
12 inconvenienced because of these -- you know, this late
13 discovery.

14 What I would -- what I would -- what I intend to
15 do by the end of the day would be to make this a firm order
16 that we would -- we would conclude the hearings as far as we
17 get on Thursday and allow counsel Friday and the long
18 weekend to prepare to renew these documents and prepare --
19 and to start on Tuesday morning with a session that would
20 bring -- would bring the record up to date by
21 representations by counsel for Liberty that we got
22 everything; that this is it.

23 And you would have at that time witnesses in the
24 courtroom or attorneys in the courtroom who would be in a
25 position to answer any questions if any questions are open

1 on this. And then we would pick up with the one or two
2 witnesses, whoever needs to be completed.

3 I think that trying -- what I had intended to do
4 before this situation developed was to try and as best I
5 could and as best as counsel could to conclude this by the
6 end of this week, the hearing. But that's -- this has to be
7 done in an orderly way.

8 And I'm disinclined -- I don't want to just
9 shutdown the hearings while you go through and then come
10 back again. We've done a lot of hard work on Friday. And
11 we have witnesses that we can get on the stand. And we can
12 get this -- we can get a lot done this week, certainly by
13 the close of business on Thursday.

14 But I do want to have both sides, and particular,
15 of course, Mr. Beckner and Mr. Weber have an opportunity to
16 really focus on this information before we -- before we
17 shutdown this portion of the hearing. And then that would
18 give you an opportunity I think to do that. If you want,
19 you know, to think about that and say after lunch, you can
20 respond to it, or if anybody has anything they want to
21 respond to it right now very briefly? We have a witness in
22 the courtroom. Mr. Beckner?

23 MR. BECKNER: Your Honor, I've just looked through
24 some of the documents. And a lot of them look new to me.
25 And I have personally gone through since last May the

1 documents in this case. And there are a very, very large
2 number of the 15,000 that were produced before which are
3 duplicates of each other.

4 There are certain documents that appear in three
5 or four people's files all the time as Mr. Spitzer and Mr.
6 Begleiter mentioned. A lot of these documents -- and I
7 haven't gone through the whole pile. You can see Mr. Keam
8 and Mr. Holt there have the pile of documents. So that's to
9 give you an idea of the size of it.

10 But a number of these documents look new to me.
11 And the problem that I have is that we're getting these now.
12 There has been a motion for summary decision filed. The
13 witness from whom -- whose files these documents were
14 produced has been deposed twice. I understand we have a
15 mini-hearing.

16 And to the extent that the documents relate to the
17 issues that you have in the hearing, we'll be able to use
18 them sooner or later, if not this week, the next week. But
19 just looking at a couple of documents, they look to me to
20 relate to issues that I don't think you have in the hearing
21 which, frankly, I would have liked to have had at the time
22 that I was deposing the witness and that has to do with the
23 cable interconnections.

24 One document appears to me to suggest that
25 contrary to what the Commission's been told, that some of

1 these cables did in fact cost the public right-of-way as
2 opposed to simply interconnecting buildings on the same
3 block without crossing public right-of-way. And the law has
4 been changed, but it has not been changed to the degree that
5 one can cross the public right-of-way with the cable without
6 having the cable franchise. Now, that's of course not part
7 of this hearing, but I'm just bringing that to your
8 attention as just a quick look at some of these documents.

9 JUDGE SIPPEL: Well, this is what I don't want. I
10 mean, the quick look is one thing. And this is why I feel
11 that you do need the time to take more than just a quick
12 look and have these hearings prepared for cross examination.
13 I mean, as it is, I recognize that I'm pushing you even by
14 giving you two days off. But this was designed to be a
15 hearing on -- simply on candor. And if something else
16 develops where you feel you've got a basis for -- and I'm
17 not -- again, I'm not inviting this.

18 But if you feel that there is substantial evidence
19 that has not been produced that would support some other
20 phase of this case, you can move to re-open or reconsider or
21 something, whatever it's called. You better not call it
22 reconsider. But the point is is that you'll have an
23 opportunity to address that before we close, before I issue
24 anything that's conclusive in this case.

25 MR. BECKNER: Okay. That's -- I just wanted to

1 make it clear that I would like that opportunity. And
2 you're telling me that I'll have it. And that's fine.

3 JUDGE SIPPEL: Now, the other thing is the --
4 the -- because -- again, because of this -- this new
5 development and the questions, there's going to be -- I
6 mean, I don't know exactly the scope of the questions on the
7 documents and the knowledge of the documents by the witness
8 is going to be, but I take it it's going to be -- certainly
9 it's going to be thorough. But in light of that, what I'm
10 going to do is I'm going to schedule a different round of
11 pleadings on your motion to inquire into discovery.

12 What I'm going to do is wait until after -- I'm
13 going to give you five days after the transcripts -- the
14 last transcript is delivered to file an opposition -- I'm
15 sorry, it would be Liberty's opposition. And then that will
16 give you the benefit of the transcript, as well as this
17 newly developed information at least to -- to respond. And
18 then I will give five days to the Bureau and to TWCV to file
19 a reply.

20 In other words, I'm going to treat it as though it
21 were a motion to add issues while I'm cutting back on the --
22 while I'm both -- I'm giving more time on the front end for
23 purposes of getting the transcripts. However, the turn-
24 around time is going to be shorter than would otherwise be
25 given for a motion to add issues. And I'm not treating this

1 as a motion to add issues. But I think that it deserves
2 this kind of a round of pleadings.

3 And you, Mr. Weber, instead of coming in -- I'd
4 like you to have an opportunity to see what Liberty's
5 opposition is before you comment. So you can come in with
6 your comments the same day that TWCV comes in with their
7 reply. I'll set that out in writing in more specifics. But
8 that's essentially what I intend to do. And I don't see
9 that as being a delay of the proceedings. It's going to put
10 -- again, I understand, it's going to put more -- it's going
11 to require harder work on the part of the attorneys. But I
12 just -- I've got to deal with what I have.

13 The way I had set up the proposed findings was a
14 14 day turn-around time I believe from the time that the
15 transcripts were delivered. So you have time to do the
16 briefing on this and then -- you'd have to be simultaneously
17 doing the other briefing. But if -- so what I -- I guess
18 what I'm getting to is that if you get to a point where
19 either side or both feel that you need a little more time on
20 the proposed findings, I'll be amenable to hearing anything
21 on that. And that's it. That's all that I have.

22 So I'll wait until I hear from counsel. I will,
23 you know, briefly as a preliminary matter raise this again
24 after lunch. And we'll -- we'll make a final decision at
25 that time. But that's -- that's -- I feel -- I feel

1 strongly about doing it that way. It's just a question of
2 whether or not there's some other procedure that somebody
3 feels strongly enough about that might be -- actually be a
4 better way of doing it.

5 That's all I have right now for now. I think --
6 let me leave one thought with you because I'm going to come
7 back to this by the time I set something final, things to be
8 done. What I want to see at some point before I have to get
9 into writing on the briefs that you're going to give me in
10 the final analysis is a schedule. And maybe somebody could
11 point me to this.

12 But I -- I'm looking -- I would like to see a
13 schedule prepared of the date identity by way of property of
14 all the applications that were filed, all the -- that are at
15 issue in this case now -- all the STAs that were filed and
16 the dates and the properties -- okay? -- the dates on which
17 each of those locations were activated prematurely. And
18 that's as far as I've gotten in terms of how I want to
19 define that. But I have not seen this really -- I haven't
20 really seen this presented in one place. And these dates
21 are very -- obviously, these dates are very --

22 MR. WEBER: Your Honor, may I inquire what
23 information you're seeking which is not exhibited in
24 Appendix A to the hearing designation order?

25 JUDGE SIPPEL: Does Appendix A have the dates that

1 they were prematurely activated?

2 MR. WEBER: Yes, Your Honor. Yes, it does. It
3 does give the date the license was applied for; the date
4 they applied for the STA and the date they began service.

5 JUDGE SIPPEL: Where does it give the date that
6 the applications or the STA were applied for?

7 MR. WEBER: That's, what, the next to final
8 column.

9 JUDGE SIPPEL: Well, the next to the -- the next
10 to the final column says the receiver location.

11 MR. WEBER: That's Appendix B, Your Honor. In
12 Appendix B, it's the hardwire applications.

13 JUDGE SIPPEL: All right. I see it, I see it.
14 All right. I see it. Oh, I see it. January of '95 was the
15 -- well, actually, November of '94 --

16 MR. SPITZER: Your Honor --

17 JUDGE SIPPEL: -- was the first service that was
18 activated. Yes?

19 MR. SPITZER: We had told the Bureau earlier in
20 the proceedings that although there are some very small
21 deviations from the dates listed in Appendices A and B, by
22 an large, those are correct. And if Your Honor would wish,
23 perhaps we could just work with the Bureau to -- to firm up
24 their one or two columns, for instance, where there is an
25 asterisk indicating that activation was either on date A or

1 on date B. There are one or two other minor -- and I think
2 we would agree -- reasonably inconsequential variations.
3 But we will work with the Bureau to perhaps fine tune those
4 dates. I'm not sure there's really any factual dispute
5 about the dates there.

6 JUDGE SIPPEL: All right. Thank you. That
7 answers my question. You don't need to prepare a schedule.
8 That's it for me then for the preliminaries. You have a
9 witness to produce at this time, Mr. Begleiter?

10 MR. BECKNER: Your Honor?

11 JUDGE SIPPEL: Yes, Mr. Beckner?

12 MR. BECKNER: Just a mechanical thing. There
13 seems to be some communication problem with the messengers.
14 And I don't -- I don't know who got what or everyone who was
15 supposed to get the revised collection of exhibits got them
16 or not. They were sent overnight to Liberty's -- or to
17 Constantine Partners' offices in New York. The Bureau says
18 they have their copy. Did you get a copy?

19 JUDGE SIPPEL: I did get a copy, yes.

20 MR. BECKNER: Okay. All right. And then the
21 Court Reporter -- sir, you should have an original and a
22 copy?

23 THE COURT REPORTER: I have just the originals.

24 MR. BECKNER: All right. Well, we have a copy
25 here for you, as well.

1 MR. BEGLEITER: Your Honor, we don't have a copy.
2 It was -- the way it works is that Saturday delivery
3 requires that somebody actually be present. There was no
4 one present when they came. So we'll have to work without
5 it.

6 JUDGE SIPPEL: No, you have to have a copy.

7 MR. SPITZER: Well, we have one which we put
8 together, Your Honor, based on the changes. But if you have
9 an extra, Bruce, that would be great. Thank you.

10 JUDGE SIPPEL: All right. Now, the -- so that
11 what the -- what the witness is going to have is the witness
12 is going to have the second copy that the Reporter has so
13 that we know that they're testifying from exactly what's --
14 what's in the record. Right?

15 MR. SPITZER: That's correct. And, Your Honor,
16 for the -- we have put a copy of our exhibits up on the
17 witness table. And the Reporter and I -- I don't mean to
18 drag him into this, but we compared that to the pre-marked
19 exhibits just to make sure everything was as it should be.

20 JUDGE SIPPEL: Can we stipulate to that?

21 MR. BECKNER: I'd just as soon use the official
22 copy since we have it available. I appreciate Mr. --

23 MR. SPITZER: That's immaterial to us, Your Honor.

24 JUDGE SIPPEL: Well, that's the procedure that I
25 had prescribed. Let's use the official copy, that which the

1 Reporter has. And all those books should be left up on the
2 stand for the witness.

3 MR. SPITZER: That's fine. It's simply that his
4 were not in a three-ring binder.

5 JUDGE SIPPEL: Well, I don't think that's going --
6 I don't think that's going to create a problem. If you want
7 to -- here, you can use mine. I mean, I can use the
8 documents without a three-ring binder. Okay. Let's go off
9 the record for just a minute.

10 (A discussion was held off the record.)

11 JUDGE SIPPEL: Mr. Begleiter or Mr. Spitzer?

12 MR. BEGLEITER: We're calling, Your Honor, Mr.
13 Milstein.

14 JUDGE SIPPEL: Okay, Mr. Milstein.

15 MR. BEGLEITER: Mr. Spitzer will do the direct
16 examination.

17 JUDGE SIPPEL: Would you raise your right hand?
18 Whereupon,

19 HOWARD PHILIP MILSTEIN
20 having been duly sworn, was called as a witness
21 herein, and was examined and testified as follows:

22 JUDGE SIPPEL: Mr. Spitzer?

23 MR. SPITZER: Thank you, Your Honor.

24 DIRECT EXAMINATION

25 //

1 BY MR. SPITZER:

2 Q Mr. Milstein, could you please for the record
3 quickly and briefly describe your educational background?

4 A I went to public schools. I went to Cornell
5 University College of Arts and Sciences. I graduated in
6 1973; entered Harvard Law School; joined the joint program
7 and graduated with degrees in law and business in 1977.
8 That's my educational background.

9 Q Thank you.

10 JUDGE SIPPEL: I'm sorry. Just a minute. Would
11 you have the Witness identify his full name and --

12 MR. SPITZER: Sure.

13 JUDGE SIPPEL: -- give his address?

14 BY MR. SPITZER:

15 Q Mr. Milstein, could you state your full name and
16 current business and home address, please?

17 A Howard Philip Milstein. Home address: 888 Park
18 Avenue; Apartment 8-B, as in boy, in New York City.
19 Business address: 575 Madison Avenue on the third floor.

20 JUDGE SIPPEL: Okay. Thank you.

21 BY MR. SPITZER:

22 Q Could you please describe in an abbreviated form
23 the career that you pursued in the years following your
24 graduation from Harvard Law and Business Schools up through
25 the founding of Liberty Cable?

1 A Well, I graduated in 1977. I began my career as
2 an investment banker with the firm of Warberg, Paribas,
3 Becker. And by -- that was in 1977. And by 1979, I had
4 joined my family's business which at that time was primarily
5 real estate, although we were also the largest shareholders
6 in the company called United Grams Company (phonetic) which
7 my father and uncle were running at the time.

8 So I entered the family business. And my initial
9 responsibilities were for our hotel operations which at that
10 time included the Biltmore, the Roosevelt and a hotel called
11 the Milford Plaza which at that -- that's the current name
12 of it. It was formerly called the Royal Manhattan Hotel and
13 had been closed for seven years. We have bought that at
14 auction in 1978. So when I joined, although I had been
15 trained in business and law and knew nothing about the hotel
16 business, I was given the responsibility for the hotel
17 business.

18 Subsequently, I -- my responsibilities were
19 increased to include oversight of all of our real estate and
20 evaluating business transactions that we would undertake and
21 make family investments. And by 1980, in response to a need
22 for cable service at the Milford Plaza which we had
23 rejuvenated from a dormant shell to an actual hotel in time
24 for the Democratic National Convention in 1980, we needed
25 cable service. And Liberty was effectively founded when I

1 had great difficulty getting any kind of an economic
2 proposition from the cable monopoly in New York, Time
3 Warner.

4 Q If we could --

5 JUDGE SIPPEL: I'm going to instruct the Witness
6 through counsel that I don't want to, you know, get into
7 this business of calling the other parties something that
8 they may not want to be called. All right?

9 MR. SPITZER: All right, Your Honor. We will
10 eliminate what I gather the adjective, "monopolous", which I
11 presume is what you are referring to.

12 JUDGE SIPPEL: Yes, sir.

13 MR. SPITZER: Henceforth, it will simply be Time
14 Warner.

15 JUDGE SIPPEL: Time Warner or Cablevision.

16 MR. SPITZER: Or Cablevision.

17 JUDGE SIPPEL: Both. TWCV when we're referring to
18 both. Thank you.

19 MR. SPITZER: Yes, sir.

20 BY MR. SPITZER:

21 Q Could you tell the Court, please, over the past
22 seven years or six years, since 1990 essentially, what
23 businesses other than Liberty Cable have you been actively
24 involved in?

25 A I only took you to 1980.

1 Q I know. But I'm now going to go --

2 A You're going to skip ten years.

3 Q Skipping ten years, please. Since the period 1990
4 to the present --

5 A Yes, okay.

6 Q -- if you could just tell us what businesses other
7 than Liberty Cable have you been actively involved in?

8 A These are all businesses that are owned by -- that
9 I am an owner in, sometimes on a partnership basis, with one
10 or more members of my family. They include the Immigrant
11 Savings Bank and Immigrant Bank Corp., and I am co-chairman
12 of the bank and co-CEO and co-president of the Bank Corp.;
13 the Douglas Selliman Company which since '89 I have been
14 chairman and CEO of; of course, all of our real estate
15 entities which include office buildings, apartment houses
16 and hotels, some of which are located outside of New York
17 City but the majority of which or the great bulk of which
18 are located in New York City.

19 There may have been some other smaller businesses
20 along the way that we got involved in here and there. But
21 that's I think are the major business commitments that I've
22 had.

23 Q If you could roughly approximate for the Court,
24 please, during the period in 1990 through and up to the
25 middle of 1995, what percentage of your time did you

1 allocate to the management of Liberty Cable?

2 A Approximately ten or 15 percent of the time.

3 Q If you could describe for us briefly, please, the
4 ownership of Liberty Cable.

5 A Liberty Cable is owned by three Milsteins: my
6 brother, Edward; my cousin, Philip; and myself.

7 Q In what percentages?

8 A I own 34 percent and my two partners own 33
9 percent each.

10 Q And was there a transaction in February of --
11 February/March of 1996 that affected the ownership of the
12 company and the assets?

13 A Yes. In February and March of 1996, we entered
14 into a transaction where we sold an 80 percent interest in
15 the existing subscriber base. And we sold a 20 percent
16 interest in the marketing company to obtain new subscribers.
17 And we retained a 100 percent interest in the transmission
18 facilities for the supply signal.

19 Q Just for simplicity sake, in the following
20 questions in which I ask about the management structure, I
21 would ask you to limit your answer to the events and period
22 prior to that transaction. Could you please describe for us
23 the management -- the individuals who manage Liberty Cable
24 and what the various responsibilities of those individuals
25 was?